

**THE RHODE ISLAND CONVENTION CENTER AUTHORITY COMBINED
FINANCE COMMITTEE AND
OPERATIONS AND FACILITIES COMMITTEE MEETING**

May 24, 2016

A combined meeting of the Finance Committee and the Operations and Facilities Committee of the Rhode Island Convention Center Authority (hereinafter referred to as "Authority", the "CCA" or the "Board") was held on May 24, 2016, pursuant to notice, at the Rhode Island Convention Center, One LaSalle Square, Providence, Rhode Island.

Board members present were Jeff Hirsh, Bernie Buonanno, Stan Israel, Patrick Butler and Paul MacDonald.

Also present were James P. McCarvill, Executive Director and Donald Nadeau, Rhode Island Convention Center Authority; Larry Lepore, Pam Bacon, Amanda Wilmouth and Bob Lauro Rhode Island Convention Center and Dunkin' Donuts Center; Dan Schwartz the VETS; Michael Crawley and Samantha Robitaille, LGC&D; Bruce Leach, Legal Counsel and Eileen Smith, Recording Secretary.

Mr. Buonanno called the meeting to order at 10:05 AM and stated the Mr. Hirsh was delayed.. Mr. Buonanno asked for approval of minutes of the April meeting. Upon a motion duly made by Mr. MacDonald and seconded by Mr. Israel it was unanimously

VOTED: to approve the minutes of the April combined Finance and O&F Meeting.

Mr. Buonanno stated that we would wait for Mr. Hirsh to arrive before presenting the financial statements and hearing from LGC&D.

Mr. Lepore reported on the Body Worlds Exhibit that we are considering for the Convention Center lobby space. Mr. Lepore said that some changes will need to be made such as painting everything black. Mr. Lepore noted that any changes to the space would need to be undone following the close of the exhibit. Mr. Lepore presented a video of the exhibit that has been held in science museums and other educational facilities. Mr. Lepore noted that if this is successful for us the promoter has other property that will be of interest. Mr. Buonanno stated that this will be a new revenue stream and make use of the lobby that is a vast wasteland. Mr. MacDonald asked if a vote was needed. Mr. McCarvill stated that a vote is not necessary but we wanted the Commissioners support prior to this taking place. Mr. McCarvill noted that this exhibit will run for an undetermined length of time and will stay until ticket sales dwindle. Mr. MacDonald commented that the price that was being suggested seems reasonable. Mr. Lepore noted that we have some hurdles to get through such as an issue with the Catholic Church that wants to see documentation that all bodies have been donated to science. Mr. Lepore noted that there may be protests. Mr. McCarvill stated that he appreciates Larry's efforts in getting everyone together to look at

what we can do to increase revenue. Mr. MacDonald asked if this exhibit was anything like the Smithsonian that was here several years ago. Mr. Lepore said that this is of the same caliber but not as large.

Mr. Hirsh arrived at 10:30 am.

Ms. Wilmouth reported on Capital Projects for the Convention Center and the Dunk. She stated that the doors from the garage and located near the Omni corridor are finally being replaced. She noted that the work is being done by in-house labor but has been delayed while waiting for parts. Ms. Wilmouth stated that the staff is researching a new POS equipment that will improve tracking of inventory and provide better safety controls of credit card purchases. Ms. Wilmouth reported that an RFP to replace the granite at the front of the building has been issued and responses are due in early June. Ms. Wilmouth stated that the restrooms will be updated with new paint and door hardware. Mr. Butler asked how much work is done in-house and can we see how much we have saved. Mr. McCarvill stated that if the job has been bid we can reference the savings. Ms. Wilmouth said everything that we can. Discussion ensued regarding union painters at the Dunkin' Donuts Center. Mr. Lepore said that laborers paint at the Dunk but carpenters paint at the Convention Center which means that laborers cannot paint in the Convention Center. Ms. Wilmouth reported that the roof survey is in limbo until we decide what we will do about solar. Mr. McCarvill said that regardless of the decision on energy the roof survey need to get done. Mr. Lepore stated that the

back parking lot is in need of new guard shack. He also stated we are attempting to get control of the small piece of land next to the North Garage.

Mr. Schwartz reported that staff from the Complex have been working on the temperature and humidity control equipment for the piano room. He noted that by having this done with in house personnel there will be significant savings. Mr. MacDonald asked if we could put a number on it. Mr. Schwartz said that saved about \$15,000. Mr. Schwartz noted that several RFPs will be issued posted next week. Mr. Butler requested notification of bid results. Mr. Schwartz reported that PPAC had given the VETs their old video marquee. He stated that the board would not be efficient and it has been decided to use the \$30,000 Champlin Foundation grant towards new efficient signage. Mr. McCarvill suggested that we look at all of our long term service contracts and update them as needed. Mr. Lepore noted that our boards at the Dunk can be serviced from inside.

Mr. Hirsh introduced Michael Crawley of LGC&D. Mr. Hirsh explained the need for a financial consultant. Mr. Crawley stated that LGC&D's assistance will be to help the accounting staff at the Convention Center and the Dunk with end of year bookkeeping to be prepared for the audit. Mr. Crawley noted that significant changes in staff have taken place during the year. Mr. Buonanno asked if LGC&D would be hired in addition to Blum Shapiro. Mr. Hirsh said yes. Mr. Buonanno asked if that would put us over budget. Mr. McCarvill answered that it

would not because we have some room on the consulting line. He also noted that ultimately we are still saving money because of Authority staff reductions. Mr. McCarvill stated that the Authority only has three employees and we don't have the time to oversee the Complex accounting staff. Mr. McCarvill said that LGC&D would be helping to interface with the auditors and be our protection. Mr. Buonanno said that he has an issue auditing our auditors. Mr. Crawley assured Mr. Buonanno that this engagement would be more of a CFO function rather than an auditor. Mr. Buonanno asked how much we are paying Blum. Mr. McCarvill answered \$32,000 this year. Mr. Buonanno said that if the consulting contract with LGC&D is \$48,000 maybe we should get rid of Blum. Mr. Hirsh stated that in today's environment we have to make sure that we have backup for everything we do. He stated having someone familiar with the Authority that knows what the auditors will need and make sure we are on top of things will provide a great deal of confidence for us. Mr. Crawley again stated that LGC&D would act as oversight CFO and not as an auditor. Mr. Crawley also stated that they would work on the notes to the financial statements as well as any audit required statements. Mr. Hirsh requested a motion to recommend approval of a consulting contract with LGC&D. Upon a motion duly made by Mr. Butler and seconded by Mr. Israel it was unanimously

VOTED: to recommend approval of a consulting contract with LGC&D

Mr. McCarvill presented the financial statements. M. McCarvill reported that for the month of April the Convention Center's net income was \$22,316 to budget and \$89,410 to the prior year. Mr. McCarvill stated that year to date the Convention Center's net income was \$954,470 to budget and \$2,126,752 to the previous year. Mr. McCarvill stated that the Convention Center is having a good year. He said that food & beverage and parking are showing significant improvement. Mr. McCarvill continued with the income statement for the Dunk. He said that for the month of April the Dunkin' Donuts Center's net income variance was 211,592 to budget and \$345,015 to the prior year. Mr. McCarvill reported that year to date net income for the Dunk was \$91,936 to budget and \$163,184 to the prior year. Mr. McCarvill reported that for the month of April the VETS net income variance was \$3,953 to budget and \$72,884 to the prior year. Mr. McCarvill said that year to date net income for the VETS was (\$141,508) to budget and \$66,200 to the previous year. Mr. McCarvill reported that the Convention Center Authority's net income variance for the month of April was \$25,530 to budget and a variance of (\$7,342) to the prior year. Mr. McCarvill stated that the Convention Center Authority has very little income and all expenses are salary and wages that have been reduced and expenses that is mostly to support the PWCVB and the Downtown Improvement District and Wayfinding. Mr. McCarvill said that consolidated net income variance for the month of April was \$263,390 to budget and \$499,967 to the prior year. Consolidated net income for the year was \$1,085,0781to budget and \$2,307,937 to the prior year.

Mr. Hirsh commented on the nice increase in parking revenue. Ms. Bacon noted that events performed very well and out-performed budget. Mr. Lepore stated that the economy has improved and people appear to be spending more.

At the Dunk Mr. McCarvill said that although we are doing better than last year we will not break even or make a profit. Mr. Buonanno noted that we are getting closer.

The VETs had a big swing over last year and if we could eliminate the \$25,000 insurance deductible would be close to break even. Mr. McCarvill said that there have been several co-promotes and we did not lose any money this month on co-promotes. Mr. McCarvill said that next year could be positive.

Mr. McCarvill reminded the Commissioners that the Authority no longer has any income from hotel room tax.

Mr. Hirsh said that we have seen a big improvement over last year. Mr. Israel congratulated the operators. Mr. McCarvill noted that we made up \$2 million.

Mr. Hirsh asked if there was any other business for the Finance Committee and O& F Committee. Hearing none he asked for a motion to adjourn. Upon a motion duly made by Mr. Butler and seconded by

Mr. Israel it was unanimously

VOTED: to adjourn at 11:50 am.